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SENATE BILL 2212

By Miller J

AN ACT to amend Tennessee Code Annotated, Section 7-82-202,  
relative to utility districts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-82-202, is amended by adding the following as a new, appropriately designated subsection:

(\_\_\_) Notwithstanding any other provision of Tennessee Code Annotated, Section 7-82-202, to the contrary, a municipality may acquire a utility district to be operated with the other utility services of the municipal utility. Whenever a utility district by resolution adopted by its governing board agrees or proposes to consolidate with a municipality to be operated with the other utility services of the municipal utility, it shall petition the county executive wherein it was created for an order approving the resolution to permit such consolidation, merger, acquisition, or transfer of its franchised facilities, assets and obligations to a municipal corporation for the purpose of more efficiently and conveniently furnishing the service or services authorized by its order of creation.

Upon such petition being filed, such county executive shall proceed in exactly the same manner as provided in this chapter for the creation of a utility district, and upon a finding that the public convenience and necessity requires consolidation, merger, acquisition or transfer and that the same is economically sound and feasible and in the

public interest, an order shall be entered approving such resolution. Upon the approval of such resolution by order of the county executive, such utility district shall be dissolved and the assets, obligations, legal rights and duties of such district shall become those of the municipal utility. The governing body of the municipality may appoint an advisory committee on utilities if the area served by the utility district is outside the boundaries of the municipality. Such advisory committee shall be composed of former utility district commissioners or residents and customers of the utility system so acquired and shall be created by ordinance of the governing body of the municipality with advisory committee members appointed by the governing body of the municipality in the number and for the term specified by the ordinance. The governing body of the municipality may establish remuneration to be paid to the advisory committee members for their services, with such remuneration not to exceed the amount paid by the former utility district to its commissioners for their services. The governing body of the municipality shall define the duties of the advisory committee by ordinance and shall also set the time and place for the advisory committee meetings by ordinance. The advisory committee shall furnish copies of the minutes of its meetings to the governing body of the municipality on a timely basis following the meetings.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.